



# CORPORATE GOVERNANCE REPORT

The Company was incorporated on the 18<sup>th</sup> March 1991.

Automatic Systems Ltd (“The Company”) is listed on the official market of the Stock Exchange of Mauritius since 12<sup>th</sup> October 1994 and qualifies as a public interest entity, as defined by the Financial Reporting Act 2004.

The Board is fully committed to attaining and sustaining the highest standards of Corporate Governance and ensures that the eight principles of good Corporate Governance from the National Code of Corporate Governance (the ‘Code’), as applicable in Mauritius, are fully adhered to and form an integral part of the Company’s business practices. It is also committed to fair financial disclosure to its shareholders and all the stakeholders at large.

### **Constitution of the Company**

The Company has adopted a new Constitution on 22<sup>nd</sup> June 2007 which is in conformity with the Mauritius Companies Act 2001 and the Listing Rules.

The Constitution of the Company does not provide for any ownership restrictions of shares.

Save and except where the terms of issue of any class of shares – as may be determined by the Board - specifically provide otherwise, all new shares are, before issue, offered to existing holders in proportion to their existing shareholdings.

The Constitution of the Company can be viewed on its website in the Corporate Governance Section - <https://automaticsystemsLtd.mu/>

### **PRINCIPLE 1 - GOVERNANCE STRUCTURE**

#### **• Governance structure and major accountabilities**

The Board is the focal point of the Corporate Governance System and is ultimately accountable and responsible for leading and controlling the Company and observing all legal and regulatory requirements.

The Board ensures that relevant laws, regulations and codes of best business practices are adhered to by the Company and the Group.

As shown in the chart below, the Company operates within a defined governance framework through delegation of authorities and clear lines of responsibility and accountability while enabling the Board to retain effective control.

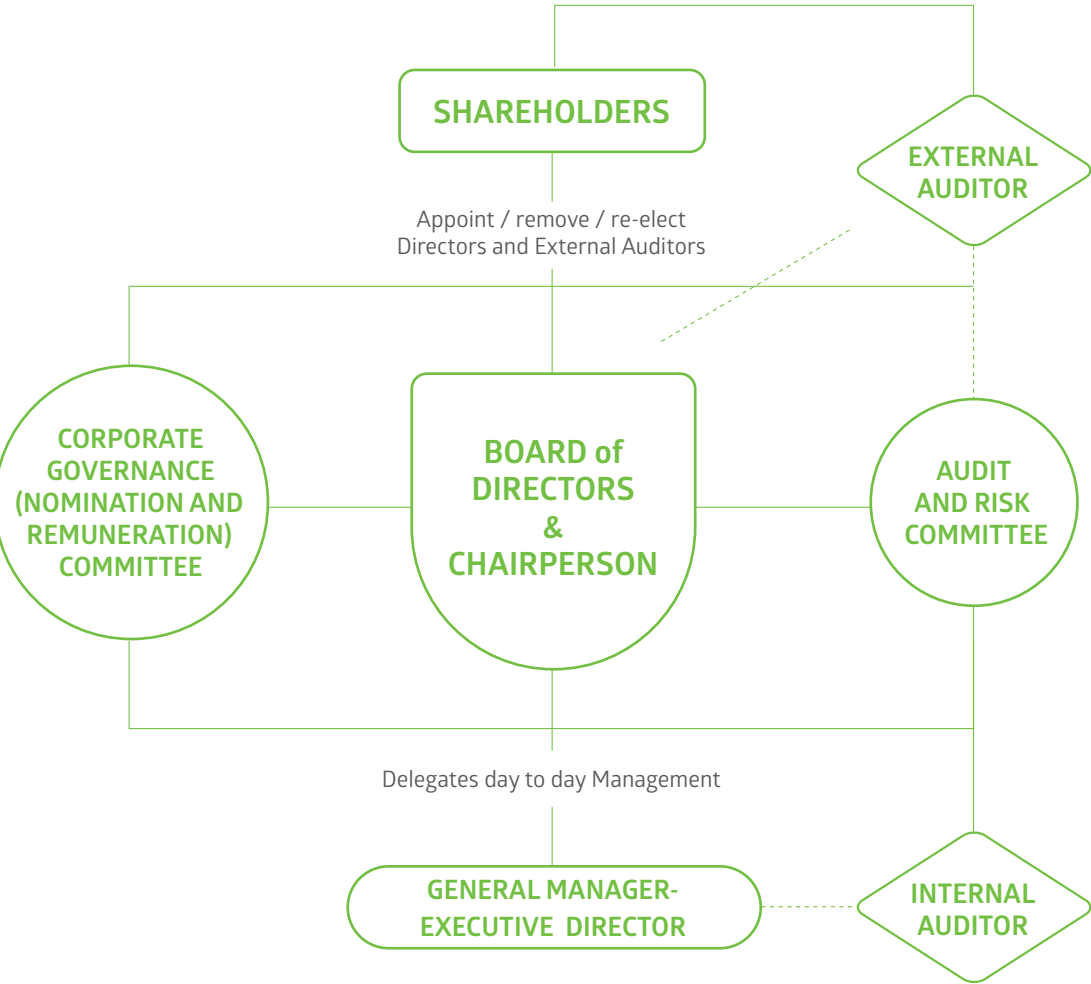
Shareholders have the power to appoint, re-elect and/or remove Directors and External Auditors.

The Management of the Company is vested in the Board which has all the powers necessary for managing, and for directing and supervising the management of the business and affairs of the Company. The Directors are accountable to Shareholders.

The Board has created 2 sub committees; the Corporate Governance (Nomination and Remuneration) Committee and the Audit and Risk Committee. Each committee operates within approved terms of reference and present their reports to the Board. The Chairperson of each subcommittee is invited to brief the Board on the matters discussed at the committees and makes the necessary recommendations where applicable.

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 1 - GOVERNANCE STRUCTURE (CONT'D)



The governance structure and major accountabilities are monitored by the Corporate Governance (Nomination and Remuneration) Committee and reviewed yearly (or earlier if considered appropriate). Any proposed change is subject to the approval of the Board.

The governance structure and major accountabilities, including the review process, can be viewed on the Company's website.

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 1 - GOVERNANCE STRUCTURE (CONT'D)

• Role of the Board

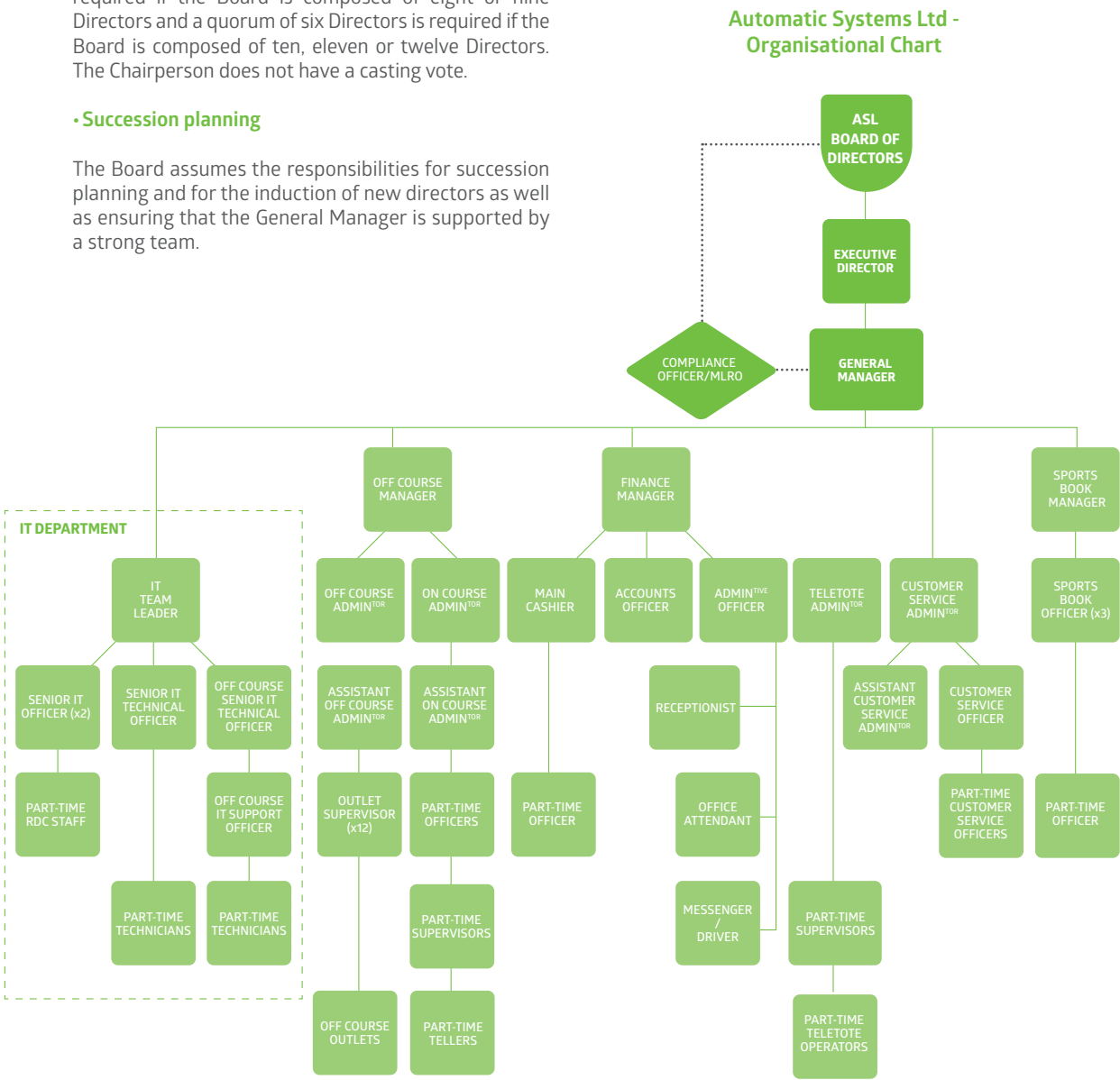
The primary function of the Board is to provide effective leadership and direction to the Company and its wholly owned subsidiary, for setting up the strategy and policies, overseeing its activities by monitoring performance and risk and supervising management to ensure accountability to its stakeholders. For Board Meetings, a quorum of five Directors is required if the Board is composed of eight or nine Directors and a quorum of six Directors is required if the Board is composed of ten, eleven or twelve Directors. The Chairperson does not have a casting vote.

• Succession planning

The Board assumes the responsibilities for succession planning and for the induction of new directors as well as ensuring that the General Manager is supported by a strong team.

• Organisational Chart

The organisational chart displays a reporting hierarchy and structure of the Company and can be viewed on the Company's website. The structure is regularly reviewed and updated at Management level and the latest version has been reviewed by the Corporate Governance (Nomination and Remuneration) Committee on 19<sup>th</sup> March 2024. The updated version is available on the website.





CORPORATE GOVERNANCE REPORT (CONT'D)

• Board Charter

A Board charter has the objective of identifying the specific responsibilities of the Board and thereby enhancing coordination and communication between the Board and its committees and the Board and Management. The Board charter will be reassessed every three years, or earlier if considered appropriate.

The charter, including the review process, has been approved on 16<sup>th</sup> March 2020. The last review was carried out on 26<sup>th</sup> March 2025 and a few changes were brought thereto. The next review is scheduled for the first semester of 2028. The document can be viewed on the Company's website.

PRINCIPLE 2 - THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

• Board structure and size

The Company has a unitary Board composed of twelve Directors: one Executive Director, 8 Non-Executive and 3 Independent Directors. In terms of gender balance, the Company now has three women Directors on the Board. Mr.s. Virginie Lennon has been appointed as Independent Director to the Company's Board on 23<sup>rd</sup> January 2025. The Company now meets the requirement imposed upon

public listed companies by the Mauritius Companies Act 2001 to have at least 25% women on their board promoting gender equality, diversity and inclusion.

The Chairperson is a Non-Executive Director.

All directors are expected to objectively discharge their duties and responsibilities in the best interest of the Company. Directors are expected to do their utmost to avoid conflicts of interests or situations which can be perceived as conflicting. To determine its current size and composition, the Board has considered (a) the size, complexity and diversity of its operations, (b) the various qualifications and experience of its members, and (c) the recommendations of the Code.

The Board is conscious that it should have 2 Executive Directors on the Board but believes that, with one Executive Director and with the General Manager attending Board meetings, there is no necessity for the time being to recommend to the Shareholders the appointment of a second Executive Director on the Board.

The Board is satisfied that its size and level of diversity commensurates with the sophistication and scale of the Company.

Name	Gender	Country of residence	Status of directorship	Other information
Mr. M. A. Eric ESPITALIER NOEL	M	Mauritius	Non-Executive	Chairperson of the Board and Member of the Corporate Governance Nomination and Remuneration Committee.
Mr. Ravindra CHETTY	M	Mauritius	Non-Executive	Chairperson of the Corporate Governance Nomination and Remuneration Committee.
Mr. Arvind Lal DOOKUN	M	Mauritius	Non-Executive	Member of the Audit and Risk Committee
Mr. J. O. Guillaume HARDY	M	Mauritius	Executive Director	None.
Mr. M. L. Jean HARDY	M	Mauritius	Non-executive Director	Also, alternate Director to Mr. O. Farouk A. A. HOSSEN and Member of the Corporate Governance Nomination and Remuneration Committee.
Mrs. Sarah A. M. HELLER	W	Mauritius	Executive Director	None.
Mr. O. Farouk A. A. HOSSEN	M	Mauritius	Non-Executive Director	Member of the Audit and Risk Committee.
Mr. Michel J. L. NAIRAC	M	South Africa	Non-Executive Director	None.
Mr. Mushtaq M. O. N. OOSMAN	M	Mauritius	Non-Executive Director	Chairperson of the Audit and Risk Committee.
Mr. John A. STUART	M	South Africa	Non-Executive Director	None.

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 2 - THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

• Board structure and size (cont'd)

Name	Gender	Country of residence	Status of directorship	Other information
Mrs. Angelique A. COQUET-DESVAUX DE MARIGNY	W	Mauritius	Independent Director	None.
Mrs. Virginie Audrey LENNON	W	Mauritius	Independent Director	None.
Box Office Ltd	N/A	Domestic Company incorporated in Mauritius	Company Secretary	Company offering secretarial services to a portfolio of clients with Mr.s Sophie Gellé as qualified chartered Secretary as partner.

\* Mr. Mushtaq Oosman is an Independent Director up to 25/03/2025 and as from 26/03/2025 he is a Non-Executive Director

\*\* Mrs. Virginie Lennon has been appointed as Independent Director on 23/01/2025.

• Profiles of Directors and details of external appointments

The Board has decided to only disclose directorship in companies listed on the Stock Exchange of Mauritius. For directorship in public and subsidiaries of unlisted companies, the information may be requested from the Company Secretary.

DIRECTORS PROFILES

M. A. Eric ESPITALIER-NOEL (65 years)  
Chairperson – Non-Executive Director  
Appointed as Director in 2004

Appointed Director in 2004, Chairperson of the Company since July 2004, Eric Espitalier-Noël, born in 1959, holds a Bachelor's degree in Social Sciences from the University of Natal in South Africa and a Master degree in Business Administration from the University of Surrey (UK). In 1986, he joined ENL Limited of which he is today an Executive Director.

Directorship in listed companies: Eric is currently the CEO of ENL Commercial Limited. He is also a Director of the following listed companies: Rogers & Company Limited, ENL Limited, Livestock Feed Limited (DEM), Les Moulins de la Concorde Ltée (DEM), Swan General Ltd, Swan Life Ltd (DEM) and Tropical Paradise Co Ltd (DEM).

M. L. Jean HARDY (76 years)  
Non-Executive Director  
Appointed as Director at incorporation in 1991 and as Alternate Director to Farouk Hossen in 2002

Jean HARDY, born in 1948, is the promoter of the Tote Betting System in Mauritius. He was one of the co-

founders of Hardy Henry & Cie Limitée in 1976 and is a director of Hardy Henry & Cie Limitée and affiliated Companies.

Directorship in other listed companies: Nil

J. O. Guillaume HARDY (50 years)  
Executive Director  
Appointed as Director in 2013 and Managing Director in 2014

Executive Director appointed as Director in 2013 and Managing Director in 2014, Guillaume Hardy born in 1974, holds a BA (Hons) Business Administration from South Bank University – London. He worked 2 years in London as Financial Analyst from 1998 to 2000. He thereafter started his career in Mauritius at PriceWaterhouseCoopers as Project Coordinator to afterwards move to Barclays Bank PLC in the Premier Banking Department as Personal Banker for 2 years. He joined the company in September 2003 as OffCourse Manager and was nominated General Manager of Automatic Systems Ltd in 2012 and Managing Director in 2014. He resigned as Managing Director in August 2020 and acted as a Consultant until the 31<sup>st</sup> December 2022. He has been appointed as Executive Director of the Company as from 1<sup>st</sup> January 2023.

Directorship in other listed Companies: Nil

# CORPORATE GOVERNANCE REPORT (CONT'D)

## • Profiles of Directors and details of external appointments (cont'd)

**Sarah A. M. HELLER** (52 years)  
*Non - Executive Director*  
Appointed as Director in July 2018

Sarah A. M. Heller, born in 1973, serves as a Non-Executive Director since her appointment in July 2018. She holds a Bachelor's degree in Business & Administration, specialized in Finance from INSEEC Paris and she is also an investment dealer on the Stock Exchange of Mauritius.

She currently holds the position of Director and Project Manager at Senior Homes Ltd, a leading entity in the promotion, development and operation of assisted living facilities.

With a firm commitment to ethics and excellence, Sarah's directorial portfolio includes family-owned businesses operating in local retailing and services. Sarah is also involved in non-profit activities and serves as a Board member of a secondary school. Committed to continuous professional development, she achieved in 2022 a diploma in Corporate Governance through the Directors' Development Program offered by the Mauritius Institute of Directors and Open University of Mauritius.

Directorship in listed companies: Nil

**Ravindra CHETTY** S.C (62 years)  
*Non-Executive Director*  
Appointed as Director in 1997

Ravindra Chetty, born in 1962, read Law at Balliol College, Oxford University. He was called to the bar in Middle Temple, England and in Mauritius in 1987. Since then he is practising as a barrister at law in Mauritius. His practice involves various areas such as civil, commercial, tax and insurance law. He took silk in 2010.

Directorship in listed companies: Nil

**Farouk A. A. HOSSEN** (80 years)  
*Non-Executive Director*  
Appointed as Director in 1991

Farouk HOSSEN, born in 1945, holds the Fellowship of the Association of British Opticians and Masters for practice in contact lenses. He practised the profession in England for three years before settling in Mauritius where he established practice as an optician since 1972 and founded F. Hossen Opticians Ltd, F. Hossen Optical

Manufacture Ltd and F. Hossen Medic Optics Ltd. He is a Director of a number of companies and sat on the Board of the State Bank of Mauritius for two years. He is also the Chairperson of Viva Voce Ltd (Radio1).

Directorship in listed Companies: Nil.

**John A. STUART** (68 years)  
*Non-Executive Director*  
Appointed as Director in 2008

John Stuart, born in 1956, holds a Bachelor of Commerce degree. He has worked in the totalisator industry since 1979 when he joined the then TAB KwaZulu-Natal as Internal Auditor. He filled various roles in that organisation and then joined Phumelela and Leisure Ltd in 1997 as Business Development Manager with his primary focus on alternative forms of gambling. After occupying various roles in the organisation, he took responsibility for the International Division in May 2006 with specific focus on simulcasting and commingling. In September 2018 he was appointed Chief Executive Officer of Phumelela. Since leaving Phumelela in May 2020, he now consults to various businesses in the horse racing and betting industry.

Directorship in listed Companies: Nil

**Michel J. L. NAIRAC** (70 years)  
*Non-Executive Director*  
Appointed as Director in 2012

Michel NAIRAC was born in Mauritius in 1954 and completed his Articles of Clerkship with Coopers and Lybrand in Durban South Africa. He started his own agency business, Michel Nairac Bloodstock in 1986, which continues to operate in the Equine Industry. He became a Director of the KZN Owners and Trainers Association, a membership entity for Owners and Trainers in KwaZulu-Natal, and was elected its Chairperson in 2000. With the amalgamation of the Racing Clubs in KwaZulu-Natal he became a Director of Gold Circle (Pty) Limited, the company that operates thoroughbred horseracing and totalisator betting in the province of KwaZulu-Natal in South Africa. In 2001 he was appointed as CEO of Gold Circle, a position he currently holds.

Directorship in listed Companies: Nil

**Arvind Lal DOOKUN** (61 years)  
*Non-Executive Director*  
Appointed as Director in 2013

Arvind Lal DOOKUN, born in 1963, holds a Textile

# CORPORATE GOVERNANCE REPORT (CONT'D)

Technology Diploma from the University of Bolton (Textile Technology Dept.) formerly known as Bolton Institute of Higher Education, Bolton, Greater Manchester, UK; a Higher National Diploma in Clothing Technology and an Institute Diploma BA Hons in Fashion & Clothing Business Management from the London College of Fashion part of the University of the Arts, London UK. He is an Associate member of the Textile Institute (TI) Manchester, UK with an Associateship (CText ATI) Chartered Professional Qualification and a Fellow of the Mauritius Institute of Directors (FMioD). He is the Executive Director & Co-founder of A-Brokers Ltd, an FSC registered and licensed Insurance & Re-Insurance Broker operating in the Insurance sector.

Directorship in listed companies: Nil

**Mushtaq M. O. N. OOSMAN** (70 years)  
*Independent Director*  
Appointed as Director in 2016

Appointed as Director in 2016 Independent Director Appointed as Director in 2016 Mushtaq OOSMAN, born in 1954, trained and qualified as a Chartered Accountant with Sinclairs in the UK, before returning to Mauritius in 1983, when he joined the audit department of De Chazal Du Mée. He then joined Roger de Chazal & Partners (founders of Price Waterhouse in 1988 in Mauritius). He was a Partner in PwC Mauritius from July 1991 up to November 2015. He is a fellow of the Institute of Chartered Accountants in England and Wales. He served on the Africa Central Governance Board and is well versed with the working and responsibilities of a Governance Board.

Directorship in listed Companies: Mushtaq is a Member of the Board of Directors of ENL Land Ltd, United Docks Ltd, Les Moulins de la Concorde Ltée, PIM Ltd, Sun Resorts Ltd, Happy World Properties Ltd and MUA Ltd.

**Angelique Anne COQUET-DESVAUX DE MARIGNY** (49 years) – *Independent Director*  
Appointed as Director in 2023

Angélique Anne Coquet-Desvaux de Marigny is a barrister having been admitted to the Bar of England and Wales in 2000 and to the Mauritian Bar in 2001 after graduating from King's College London and Université de Paris I (Panthéon-Sorbonne) with an LLB (First Class Honours) and a "Maîtrise en Droit Privé (Droit des Affaires) respectively. She focuses on advisory work and litigation in civil law, general commercial law, employment law, private international law, corporate law and family law. She has appeared in numerous complex cases at all levels, including

before the Judicial Committee of the Privy Council. Directorship in listed Companies: Rogers & Company Ltd & Rogers Capital Limited.

**Virginie Audrey LENNON** (48 years)  
*Independent Director*  
Appointed as Director in 2025

Virginie Audrey Lennon is an accomplished accounting and finance professional with over 25 years of experience across multiple industries, including banking, manufacturing, legal, and high-tech medical sectors. She is a Fellow Member of the Association of Chartered Certified Accountants (F.C.C.A) and a member of the Mauritius Institute of Professional Accountants (MIPA).

Directorship in listed companies: Nil

## GENERAL MANAGER'S PROFILE

**Robert C.Y.F. AH YAN** (55 years)  
*General Manager*

Robert AH YAN, born in 1969, holds an IATA/UFTAA Diploma since 1992 and a Diploma in Management from Cambridge Tutorial College, Jersey, Britain since 1994. He joined Hardy Henry & Cie Limitée as Administrative Officer in 1992. He was promoted Assistant Manager in 1995 and as Manager in 2002 when the Company was awarded ISO 9001. He was also in charge of Information Technology (IT), the Totalisator (Tote) System and the Sports Betting System of Automatic Systems Ltd. He has been appointed as General Manager of the Company, effective as from 1<sup>st</sup> August 2020. Over his years of service, he followed numerous Management, IT and Compliance courses and workshops and is continuously updating his skills, knowledge and professional competence.

He is a Gold Level Member of ISACA (Information Systems Audit and Control Association) since February 2013 and is a Certified Information Systems Auditor (CISA) and a Certified Information Security Manager (CISM).

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 2 - THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

COMPANY SECRETARY'S PROFILE

Box Office Ltd is a domestic Company offering corporate and secretarial as well as business facilitation services to a portfolio of domestic companies. Mr.s. Sophie Gellé, director of Box Office, is a qualified chartered secretary with more than 20 years' experience in the corporate secretarial practice. As qualified Secretary, Mr.s. Sophie Gellé has to and continues acquiring professional development with a minimum of 20 CPD hours, per year.

• Role and function of the Chairperson

Mr. Eric Espitalier Noel is a non-executive Chairperson; he has no executive or management responsibilities. He acts as Chairperson of meetings of the Board and shareholders. The Chairperson's primary function is to:

- Chair the meetings of Directors as well as annual and special meetings;
- Ensure the smooth functioning of the Board in the interests of good governance;
- Provide overall leadership and encourage active participation of all Directors;
- Ensure that all the relevant information and facts are placed before the Board to enable the Directors to reach informed and timely decisions, and maintain sound relations with the Company's shareholders; and
- Maintain a close working relationship with the Executive Director and General Manager.

• Role and function of the General Manager

Mr. Robert Ah Yan, the General Manager, is responsible for the day-to-day management of the Company and its subsidiary and works in collaboration with the Executive Director. The General Manager reports to the Board of Directors.

• Role of the Executive Director

Mr. Guillaume Hardy is the Company's sole Executive Director and is involved in the day-to-day activities of the Group. Mr. Guillaume Hardy's experience in the Company's field of operation is of relevant contribution to the Company. He has an open communication with the General Manager and the Board and assists the General Manager in his daily tasks. The Executive Director reports to the Board.

• Role of the Non-Executive and Independent Directors

The composition of the Board is such that there is an appropriate balance of power and authority between Executive, Non-Executive and Independent Directors.

Non-Executive and Independent Directors play a vital role in providing judgement independent from management on issues of strategy, performance, resources, risks and evaluation of performance.

• Board Evaluation

A Board evaluation is carried by way of a directors' self-appraisal every two years and was recently carried out in April 2024. The self appraisal is carried out in a way where the Directors are invited to fill in a questionnaire. The results are then summarised by the Company Secretary and analysed and discussed at the Corporate Governance (Nomination and Remuneration) Committee and at the following Board meeting.

The last evaluation process indicated that directors consider the Board to be effective and well-balanced. Areas covered by the evaluation included board composition, strategy and training. The Board is of opinion that the current assessment of the Board and Individual Directors is sufficient for the Company and the next evaluation is scheduled for the second semester of 2026.

• Dealing in shares of the Company

During the year under review, there were no share dealings by Directors.

The Directors endeavour to follow the principles of the Model Code for Securities Transactions by Directors of Listed Companies as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules.

In terms of the Company's internal procedure any Director purporting to deal in the shares of the Company should inform the Chairperson accordingly.

In terms of the Mauritius Companies Act 2001 and the Securities Act 2005, the Company keeps an updated Interests Register and Insiders Register respectively. These registers are regularly updated with the information submitted by the Directors and/or other insiders as applicable.

CORPORATE GOVERNANCE REPORT (CONT'D)

The table below sets out, as at 31 December 2024, the Directors' respective category, direct and indirect interests, and number of other directorships in listed companies:

Directors/ Alternates	Category	Direct Interest		Indirect Interest	Number of Other Directorships in Listed Companies
		Shares	%	%	
Ravindra CHETTY	NED	100	0.003%	nil	-
M. A. Eric ESPITALIER NOEL	NED	nil	nil	nil	7
M. L. Jean HARDY* (Also alternate to Farouk HOSSEN)	ED until 31/12/2022 and NED as from 01/01/2023)	nil	nil	14.7318%	-
Sarah A. M. HELLER	NED	nil	nil	nil	-
O. Farouk A. A. HOSSEN	NED	22,049	0.62%	nil	-
Michel J. L. NAIRAC	NED	nil	nil	nil	-
John A. STUART	NED	nil	nil	nil	-
J. O. Guillaume HARDY	NED until 31/12/2022 and ED as from 01/01/2023	nil	nil	nil	-
Arvind Lal DOOKUN	NED	12,550	0.36%	1.1127%	-
Mushtaq M. O. N. OOSMAN	IND	nil	nil	nil	7
Angelique DESVAUX DE MARIGNY	IND	nil	nil	nil	2
Virginie Audrey LENNON	IND	nil	nil	nil	-

ED - Executive Director / IND - Independent Director / NED - Non-Executive Director

\*Mr. Jean Hardy is the 'Gerant' of Société L'inité with all powers and also holds 99% of its shareholding in Usufruct; the voting powers of the Société vest with the Usufruct. Societe L'Inité itself indirectly holds 14.73% of the Company.

• Board Committees

As reported, the Board has two standing committees to assist in the discharge of its duties, namely the Audit & Risk Committee (ARC) and the Corporate Governance (Nomination and Remuneration) Committee (CGC). Given the nature, size and moderate complexity of the business, the functions that would have normally devolved to the remuneration committee and to a nomination committee are discharged by the Corporate Governance Committee, which submits its recommendations to the Board for approval. The terms of reference of the Committees can be viewed on the Company's website.

Audit and Risk Committee

The Audit and Risk Committee assists the Board, among other things, in:

- Overseeing the quality and integrity of financial statements and public announcements related thereto;
- Overseeing the Company's compliance with legal and regulatory requirements;
- Reviewing the scope and effectiveness of the internal and external audit function as well as the qualifications, experience and independence of the internal and external auditors;
- Evaluating the overall effectiveness of the internal control and risk Management frameworks;



# CORPORATE GOVERNANCE REPORT (CONT'D)

## PRINCIPLE 2 - THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

### • Board Committees (cont'd)

#### Audit and Risk Committee (cont'd)

- Reviewing the policies and procedures established to minimize business risks, including the risk of money laundering through the tote system;
- Overviewing the integrity and effectiveness of the automated system managing the bets on Supertote and Superscore;
- Overviewing the adequacy of the insurance cover subscribed to by the Company;
- Reviewing regularly the risk register and ensuring that the Company is adequately insured;
- Ensuring that the Company has an appropriate internal and external audit function and making recommendations to the Board in relation to the appointment, termination and remuneration of internal and external auditors;
- Reviewing the proposed internal and external audit plans; and
- Reviewing the internal audit reports.

Please refer to page 27 for disclosures in respect of internal control and risk management.

#### Corporate Governance (Nomination and Remuneration) Committee

The Corporate Governance (Nomination and Remuneration) Committee assists the Board in ensuring that the corporate governance activities are consistent with the eight principles of the Code of Corporate Governance. Its objectives are as follows:

#### Corporate Governance

- Review the Constitution and structure of the Company in the light of the Code of Corporate Governance;
- Assist the Board in the implementation of the Code of Corporate Governance and review all governance documents before submission to the Board for approval;
- Lead the self appraisal of Directors' process; and
- Ensure that the Company's Annual Report complies with the provisions of the Code of Corporate Governance.

#### Nomination

- Ascertain whether potential new Directors are fit and proper and are not disqualified from being Directors;

- Ensure that potential new Directors are fully cognisant of what is expected from a Director;
- Ensure that the right balance of skills, expertise and independence is maintained on the Board;
- Ensure that there is a clearly defined and transparent procedure for shareholders to recommend potential new Directors; and
- Ensure that potential new Directors are free from material conflict of interests and not likely to simply act in the interests of a major shareholder, substantial creditor or significant supplier of the Company.

#### Remuneration

- Determine, develop and agree on the Company's general policy on executive and senior management remuneration; and
- Determine specific remuneration packages for Executive Directors of the Company, including but not limited to basic salary, benefits in kind, annual bonuses, performance-based incentives, pensions and other benefits;
- Determine any criteria necessary to measure the performance of the Executive Director in discharging his functions and responsibilities; and
- Recommend to the Board the appropriate level of Directors' fees.

During the year under review, the Audit and Risk Committee members met four times, and the Corporate Governance (Nomination and Remuneration) Committee met two times, the attendance by members can be viewed on page 27.

## PRINCIPLE 3 – DIRECTORS' APPOINTMENT PROCEDURES

### • Election and re-election of Directors

The Corporate Governance (Nomination & Remuneration) Committee reviews all new appointments to the Board and committees prior to recommending same to the Board for approval until submission to the shareholders for approval at the Annual Meeting. In line with the Code and the Constitution of the Company, all Directors stand for re-election and/or re-appointment on an annual basis.

The names of all present Directors, their profile, categories and directorships in other listed companies as well as the Company Secretary's profile are set out at pages 18 to 23.

The appointment process as defined above as well

# CORPORATE GOVERNANCE REPORT (CONT'D)

as the Directors' profile and the Company Secretary's profile are not presented separately on the website and can be viewed in the present annual report, which is posted on the Company's website.

### • Directors' Induction

The Corporate Governance (Nomination and Remuneration) Committee and the Board assumes the responsibilities for the induction of new Directors. New Directors are given an induction pack upon their appointment in order to get acquainted with the Company, its policies and procedures. They are also encouraged to meet with the Company's Executive Director and Senior Officers to benefit from a better insight into the operations of the Company.

### • Directors' Training

The Company may identify areas where the Board members require further training or education. Such training may be provided by the Company itself or can be provided by an external service provider. Considering the size of the company, the Directors are encouraged to seek for outside training on a regular basis.

Outside training may be reimbursed by the Company, subject to the Corporate Governance Committee members' approval. The Corporate Governance Committee may also recommend to the Board the approval of a yearly budget for directors' training.

### • Succession Planning

The Board assumes the responsibility of succession planning and recognises the importance to provide for continuity in the smooth functioning of the Company.

The Corporate Governance (Nomination and Remuneration) Committee shall oversee the succession planning and shall from time to time make recommendations to the Board. The objectives of the succession planning are outlined as per below:

- To identify and nominate suitable candidates for the Board's approval to fill the vacancies which arises in the Board of the Company from time to time;
- To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives; and
- To ensure the systematic and long-term development of individuals in the senior management level to replace when the need arises due to death, disabilities, retirements and unexpected occurrence.

## PRINCIPLE 4 - DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

All Directors are aware of their fiduciary and statutory duties and are expected to objectively discharge such duties in the best interest of the Company. Directors are aware that they should, in their position, act with the required standard of care, skill and diligence and do their utmost to avoid conflicts of interests or situations which can be perceived as being conflicting.

### • Conflict of Interest

The Board is conscious that transactions between the Company and its Management, Directors or Shareholders may be a source of conflict of interest and ensures that transactions are disclosed in the interest register.

The Board Charter, which can be viewed on the website, includes a guideline on conflict of interests and related party transactions and on the Directors' duty to disclose.

An interest register is maintained at the offices of the Company Secretary and is available for consultation to shareholders upon written request to the Company Secretary.

### • Related party transactions

Related party transactions are set out in note 33 of the financial statements. No such related party transactions were outside the scope of the Company's Board Charter.

### • Information, Information Technology ('IT') and Information Security Governance

Information management is an essential part of good IT governance, which in turn is a cornerstone in corporate governance. An integral part of the IT governance is information security, in particular pertaining to personal information.

The Board is responsible for overseeing information governance within the Company and ensures that performance of information and IT systems are adequate. During the year the Internal Auditors reviewed the IT and non-IT risk, including the Cyber Security, and submitted an assessment to the Audit and Risk Committee. An IT Risk Register is reviewed by the Audit and Risk Committee twice a year – or earlier if required, and a report made to the Board thereafter.

# CORPORATE GOVERNANCE REPORT (CONT'D)

## PRINCIPLE 4 - DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE (CONT'D)

### • Information, Information Technology ('IT') and Information Security Governance (cont'd)

Considering the Company's line of business and its reliance on IT, the Company has Information Technology (IT) Policies which identify the rules and procedures for all individuals accessing and using an organisation's IT assets and resources.

Users of the information system may only access those information system assets for which they have been explicitly authorized by the asset owner. Users may use the information system only for purposes for which they have been authorized, i.e. for which they have been granted access rights.

Effective IT Security Policy is of essence to the Company and part of the organisation's culture which combines the legal requirements and current best practice for an information security management policy for the Company.

Core principles for information security management, as defined in ISO/IEC 27002, are adapted to the local situation for the following areas:

- Risk assessment;
- Organising information security;
- Frequent monitoring of the capital and IT expenditures in line with budgets;
- Asset management;
- Human resources security;
- Physical security and restrictions to access in some cases;
- Communications and operations Management;
- Access control;
- System development and Maintenance;
- Information security incident Management;
- Business continuity management; and
- Compliance.

The Board and Management are involved in information and IT governance to the extent that they:

- Oversee the realised total capital expenditures for IT in line with budget at Board meetings;
- Regularly evaluate the information security systems; and
- Assess the need for independent evaluation from external experts on IT governance.

The IT Policies can be viewed on the Company's website

### • General Data Protection Regulation and compliance

The Company held a workshop in 2018 for all employees organised by Ahnee Duval Chambers. The aim of the workshop was to brief the employees about Data Protection in Mauritius, its legal perspective and practical application.

### • General Data Protection Regulation and compliance

During the course of 2019, Ernst & Young (EY) implemented a Data Protection framework within the organisation. A Data Protection Audit was carried out in 2023. A Data Protection Awareness Training was also carried out In-House in April 2023. The Data Protection Officer will receive the requisite specialized training in 2025 as recommended by the Internal Auditors and the training of employees on data protection in general will be conducted by the Data Protection Officer.

The Board is confident that following the recommendations of EY and the adoption of an internal Data Protection Policy, it is duly compliant with all the principles of the Data Protection Act. The Privacy Notice can be viewed on the Company's website. For continuous development and to keep his knowledge up to date, the Data Protection Officer of the Company has attended a Live-On-Line course titled 'Data Protection: An Overview of the Essentials' in 2023.

### • Remuneration of Directors

The Corporate Governance (Nomination & Remuneration) Committee which also includes the Remuneration Committee reviews Directors' remuneration annually and if considered appropriate, the Committee then makes the necessary recommendation for review to the Board.

The Board acts on the recommendation of the Corporate Governance Committee and either, if it considers it fair to the Company, determines the appropriate remuneration or compensation, or bring the relevant recommendation to shareholders at the Annual Meeting for a decision by ordinary resolution of shareholders.

The Corporate Governance and Remuneration Committee also reviews the remuneration packages of the Senior Managers and the Executive Director, including but not limited to basic salary, benefits in kind, annual bonuses, performance-based incentives, share incentives, pensions and other benefits.

# CORPORATE GOVERNANCE REPORT (CONT'D)

The remuneration structure with regards to Directors' fees has been last reviewed at the Annual Meeting of 2021 and comprises two components, namely, a basic yearly fee and an attendance fee. The table below sets out the details of attendance of Directors at meetings during 2024 and Directors' remuneration perceived:

Directors/Alternates	Attendance at Meetings during 2024			Total Directors' remuneration (MUR)
	Board	Audit and Risk Committee	Corporate Governance Committee	
M. A. Eric ESPITALIER NOEL	4/4	-	3/3	318,750
M. L. Jean HARDY	4/4	-	2/3	210,000
O. Farouk A. A. HOSSEN	4/4	2/4	-	210,000
Sarah A. M. HELLER	4/4	-	-	142,500
Ravindra CHETTY	4/4	-	3/3	288,750
John A. STUART	4/4	-	-	142,500
Michel J. L. NAIRAC	4/4	-	-	142,500
J. O. Guillaume HARDY	4/4	-	-	3,770,988
Arvind Lal DOOKUN	4/4	4/4	-	232,500
Mushtaq M. O. N. OOSMAN	3/4	4/4	-	288,750
Angelique DESVAUX DE MARIGNY	4/4	-	-	142,500

Non-executive Directors have not received remuneration in the form of share options or bonuses associated with the Company's performance.

### • Code of Ethics

The Company has adopted a Code of Ethics and is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders. This commitment, which is actively endorsed by the Board, is based on the fundamental belief that business should be conducted honestly, fairly and legally.

The Company's Code of Ethics has been approved by the Board and has been circulated to all employees and agents. It can be viewed on the Company's website ([www.automaticsystems.mu](http://www.automaticsystems.mu)). New employees joining the Company are given a copy of the Code of Ethics and are apprised thereof during their induction session.

The Company's Compliance Officer monitors the Code of Ethics which also includes a clause on whistleblowing. Important aspects of the Company's Code of Ethics are included in the annual compliance training for employees which is delivered by the Compliance Officer.

## PRINCIPLE 5 - RISK GOVERNANCE AND INTERNAL CONTROL

The Board has the overall responsibility for the Company's risk governance and internal control system as well as for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. A Risk Register as well as an IT Risk Register are regularly reviewed and monitored by management and by the Audit and Risk Committee and are presented to the Board with recommendations where applicable.

### • Internal Control and Risk Management

Amtote International Inc continues to provide a line monitoring of the automated system whereby its engineers can analyse the operations in real time and can intervene if need be from their base in the USA. The automated system cannot be tampered with and it is subject to regular foolproof tests.

### • Risk Management

The Board is ultimately responsible for the Group's governance of risk and for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives.

# CORPORATE GOVERNANCE REPORT (CONT'D)

## PRINCIPLE 5 - RISK GOVERNANCE AND INTERNAL CONTROL (CONT'D)

### • Risk Management (*cont'd*)

The Board has delegated to the Audit and Risk Committee the responsibility of implementing structures and processes to help identify, assess and manage risks. Risk reviews are regularly conducted, and mitigating measures are implemented accordingly. The Audit and Risk Committee works closely with the Management, the Internal Auditors and the External Auditors to ensure that the Company's system of control effectively enables the Company to mitigate the risks inherent to its activity.

The Company is aware that its major risks are beyond its control.

The main risks faced by the Company are as follows:

#### Sustainability of Racing Industry/ Horse population

Public confidence in the horse racing industry has declined in the past three years and as a result, ASL has experienced a significant fall in its turnover.

The horse racing industry is very reliant on the horse population and a decrease directly affects the performance of the Company's Tote operations.

#### Financial risk

The fixed-odd betting income are highly dependent on the gross gaming revenue which can vary significantly from one period to the next and even result in a loss making situation

#### Megawin Ltd

The future of Megawin has been seriously impacted with the termination of the contract with LONACI as from 31<sup>st</sup> of December 2023. The company is currently prospecting other opportunities in Africa which remain however a long shot.

#### Human Resources

Difficulties in attracting, recruiting and retaining key talent may result in potential disruption to operations.

#### Taxes and levies

The Company is tributary to Government decisions with regards to taxes and levies. The impact of taxes

and levies on the cost structure of the Company is considerable and not necessarily linked to performance. For the year 2024, the betting tax has been maintained at 14% and the levy at 2.5%.

The taxes and licences paid to Authorities represent about 50% of the Company's income. The Company communicates its concern regarding current tax legislations to the authorities on a regular basis.

#### Market

The Company is operating in a highly competitive and challenging environment and has to face unfair competition from illegal betting. In this difficult environment the Company's know-how and experience coupled with well spread outlets contribute to keep up its competitive edge.

Numerous factors directly affect the Company's revenue and are often beyond the Company's control:

- the challenges faced by the horse racing industry;
- the government's policy on horse racing;
- the number of race meetings held annually;
- the number and quality of horses participating in a race;
- the number of Off-Course betting shops allowed to operate;
- the relocation of outlets;
- the capacity to obtain new licences to offer new types of bets;
- the performance of the Mauritian economy; and
- the betting licences allocated to other operators.

Changes in the Company's business environment are regularly assessed by Management to contain as far as possible, any adverse impact on its operations.

The Company is operating in a highly regulated sector making potential development very limited. Relocation of outlets or expanding its activities through new betting licences remains a challenge.

#### IT & Operational

The operational risks relate to internal processes which are regulated by Information Technology systems and software controlling the betting operations of the Company. These systems are closely monitored at management level with cash reconciliations done daily and further reconciliation is prepared and verified on a weekly basis.

The integrity of the betting system provided and tested

# CORPORATE GOVERNANCE REPORT (CONT'D)

by AmTote International Inc. which is based in the USA, represents the main operational risk for horse racing betting. However, all software changes concerning the AmTote Betting System are made only by AmTote International Inc and are secured with proper controls at different levels. The database belongs to AmTote International Inc. and users cannot make changes thereto but can only generate reports from the system.

In terms of potential viruses and hacking, the firewalls are constantly reviewed and upgraded to ensure security of the system.

Similarly, the integrity of the betting system provided by Falcon Wagering Solutions Pty Ltd which is based in Melbourne, Australia and tested by iTech Labs Australia also represents another operational risk for sports (football) betting. All software changes concerning the Falcon Wager Betting System are made only by Falcon Wagering Solutions Pty Ltd and are secured with proper controls at different levels. The betting engine belongs to Falcon Wagering Solutions Pty Ltd and the database is secured with passwords which are only known by Falcon Wagering Solutions Pty Ltd. Thus, users cannot make changes thereto but can only generate reports from the system.

Following the recommendation of its internal auditors, the Company has implemented an automated system to monitor transactions to facilitate the task of the Compliance Officer/Money Laundering Reporting Officer in the combat against money laundering and terrorism financing.

IT operations and business processes are regularly audited, monitored, improved and updated wherever possible. In August 2023, the Company's corporate website was redesigned. Additionally, the Falcon Wager Betting System was upgraded in terms of hardware and software. 2023 additionally saw the implementation of a new BI Tool to enhance productivity, empower decision-making and for AML/CFT transaction monitoring. In 2024, over 40 Android Kiosks were deployed in outlets to facilitate football bet booking and all Outlets administrative PCs were upgraded to enhance transactions monitoring. IT and Security policies, standards and guidelines were reviewed, and a training was provided to all Head Office staff. As a security for the business continuity, the Company has a secondary site with the redundant AmTote and Falcon equipment and other necessary infrastructure. The secondary site is running live with real-time data. During the year in review, the Business Continuity Plan (BCP) was reviewed and tested to ensure a structured response to disruptions of critical business processes, enabling a faster recovery.

A disruption or failure of the communication network is a major risk for the Company. The Company opted for a segregation of services and works with different suppliers for different services to reduce the impact of any failure of communication.

#### Compliance

The Company has appointed an in-house Compliance Officer (CO) who also acts as Money Laundering Reporting Officer (MLRO) and oversees the Data Protection framework as well.

The role of the Compliance Officer is to monitor all operational processes and procedures and ensure that the Company complies with all legal regulations, including FIAMLA and the GRA regulations, and operates within the expected ethical standards.

The CO/ MLRO attends training courses on a regular basis and provides in house support and training to the staff.

Following the compulsory AML-CFT compliance training conducted by the CO/MLRO, employees of the Company are required to undergo an assessment to ensure that they are all aware of the AML-CFT processes put in place by the CO/MLRO as well as to understand applicable laws and internal Company policies.

A Compliance/MLRO report from the Compliance Officer is tabled and reviewed at the Audit and Risk Committees.

#### Other risks

Other risks relate to the reputation of the Company and physical disasters and accidents. The Board of the Company ensures that the Company operates according to a high standard of ethics and fairness with regards to the horse racing industry, regulators, punters and the public.

Social media, if misused, may be prejudicial to the Company. A Communications Policy and Procedure manual has been drafted during the year 2022 outlining the roles and responsibilities and protocols to follow for communication with the public, media and other stakeholders, which will allow timely and effective communication to safeguard the reputation of the Company.



# CORPORATE GOVERNANCE REPORT (CONT'D)

## PRINCIPLE 5 - RISK GOVERNANCE AND INTERNAL CONTROL (CONT'D)

### • Physical disasters

Physical disasters and accidents are insurable risks which are covered through insurance policies upon advice from insurance brokers. These policies have also been reviewed by the Audit and Risk Committee which considers such insurance covers to be adequate.

### • Horse racing industry

The Company is aware of the risks that may be related to a loss of confidence in the racing industry in general. To mitigate that risk, permanent communication is maintained with the relevant authorities.

## PRINCIPLE 6 - REPORTING WITH INTEGRITY

The Board is responsible for the preparation of financial statements that fairly present the state of affairs of the Company and the Group. The Annual Report includes financial statements that are prepared in accordance with IFRS Accounting Standards and the Mauritius Companies Act 2001. The Annual report is published in full on the Company's website.

### • Carbon Reduction Commitment

The Company's activities do not have a major impact on the environment. Nevertheless, being conscious that every step, even small ones, matter, the Company permanently tries to reduce its carbon footprint over time.

In that respect, the Company invites and encourages its shareholders to join in its commitment to reduce carbon footprint by opting to receive the annual report in digital format. The shareholders who have not yet opted for the digital format, are encouraged to fill in the form which is included in this report. This choice will allow you, as shareholder to receive by e-mail, future notice of shareholders' meetings, proxy form, annual reports, accounts, credit advices and other shareholder documents made available to you in your capacity as shareholder of the Company.

The Company is also committed to a green type of sustainability and to a reduction of adverse environmental impact, as part of its long-term strategy for sustained growth.

### • Carbon Reduction Commitment

The Company has taken the following measures in 2024 to reduce its power consumption:

The Company promotes online paperless betting and works with Topco for the production of thermal paper rolls for physically placed bets. Topco imports their raw materials from the Koehler Paper Group (ISO14001) based in Germany and the Koehler group is committed to environment protection;

- DC drive Air Conditioning units with lower power consumption have replaced the previous models;
- Some mercury based fluorescent lamps have been replaced by LED low energy lamps across the offices;
- InkJet Printers with Refillable Ink Tanks have been installed in several outlets and at the head office;
- Implementation of online bet booking for football betting further promotes online paperless betting. This can be done through the superscore.mu website or at booking terminals (kiosk) placed in all the outlets offering football betting; and
- Mass mailing letters and Newsletter are now sent by e-mail instead of by post. This considerably reduces paper-based letters and newsletters. Clients are encouraged to register to our online newsletter in order to reduce paper consumption.

### Future commitments

The Company is committed to continuously:

- Reduce paper and ink cartridge consumption;
- Further reduction of paper usage by implementing web-based applications;
- Consider the factor of energy-efficient when acquiring new equipment;
- Replace fluorescent lamps by low energy LED lamps; and
- Add more booking terminals (kiosk) in outlets.
- Donations/CSR

In line with the dispositions of the current Gambling Regulatory Authority Act which provides for the totality of CSR funds to be remitted to the GRA for the setting up of a national responsible gambling program, no CSR contribution was made by the Company for the year ending 31 December 2024 due to loss making of the Company for the previous financial year (Rs 2.5 million in 2023).

### • Health and Safety

The Company endeavours to provide a safe environment to its employees and other stakeholders. The Company

# CORPORATE GOVERNANCE REPORT (CONT'D)

has engaged a health and safety Consultant to ensure compliance with the relevant prescribed health and safety norms and existing legal and regulatory frameworks pertaining thereto. Regular reports of the visits carried out in the different outlets/head office of the Company by the health and safety Consultant are provided to the management for review and action. In September 2022, employees who were designated to act as fire wardens followed a training on the usage of firefighting equipment and staff evacuation in case of emergency. Furthermore, a refresher first aiders training was conducted by the First Aiders Association in 2023 for the designated employees.

The Company continuously strives at instilling a safety culture among its employees and is committed to providing a Healthy and Safe environment at work. The Company has adopted a general statement of health and safety policy.

The Company continuously carries out risk assessments and implements appropriate measures to eliminate health and safety hazards.

The Company has the following measures in place to prevent accidents and work-related injuries, namely:

- Training of employees;
- Regular Risk assessment;
  - Safety Audit;
  - Training to enable supervisors to carry out Task Risk Evaluation;
  - Empowering its supervisors to take decisions in the face of dangers and hazards at work;
  - Encouraging employees to report potential hazards, accidents or unsafe conditions; and
  - Ensuring that contractors are fully compliant with health and safety issues.

### • Social Issues

In the recruitment and promotion of its team members, the Company practices fair policies, based on merit.

### • Annual Meeting

The notice of the next Annual Meeting, as well as the two-way voting proxy form are included in the present Annual Report. The notice will also be available on the Company's website.

The list of shareholders' meeting's questions and answers and votes are not published on the website as shareholders can have access to the minutes of the said meetings in accordance with section 226 of the

Mauritius Companies Act 2001. The minutes of the 2025 Annual Meeting will be available to shareholders one month after the Annual Meeting.

## PRINCIPLE 7 - AUDIT

### • Internal Audit

EY are the Internal Auditors of the Company.

The Internal Audit team has unrestricted access to the records, management and employees of the Company. The Internal Auditor is expected to maintain an open and constructive line of communication with Management and reports to the Audit and Risk Committee (ARC).

The Company has an effective and independent internal audit function that has the respect, confidence and co-operation of both the Board and the management.

The below Internal Audit visits were made during 2024:

- Follow up on previous Audit Reports;
- Retirement, succession and employees' retention;
  - Review of betting operations and outlet management;
  - Review of business continuity & disaster recovery management;
  - Review of compliance with Data Protection Act 2017 and
  - Working Capital Management Review Report.

The findings and recommendations of the Internal Audit reports are discussed at the ARC in the presence of the Internal Auditors and the Chairperson of the ARC presents reports to the Directors on the following Board.

### • Internal Control and Risk Management

The Board acknowledges that it has overall responsibility for the Company's systems of risk management and internal control and for ensuring their effectiveness. The risk register is a dynamic document that is regularly reviewed by the ARC and the Board.

Some of the most significant risks facing the Company pertain to the economic, social, environmental, technological and political factors affecting the countries from where the Company derives business. Reputational, foreign exchange and interest rates risks also have a direct impact on the Company and the Group's business.

For the financial risk factors, refer to note 5 of the financial statements.

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 7 - AUDIT (CONT'D)

• External Audit

Deloitte Mauritius was re-appointed as the auditors of the Company at its 2024 Annual Meeting.

The ARC is responsible for reviewing with the external auditors the letter of engagement, terms and nature of the audit scope and approach and for ensuring that no restrictions or limitations have been placed on the scope.

The external auditors report directly to the ARC which is also responsible for monitoring the external auditors' independence, objectivity and compliance with ethical, professional and regulatory requirements.

During the financial year ended December 2024, the ARC has met 4 times and the General Manager was in attendance during all of those four meetings. A new Finance Manager was recruited by the Company on the 2<sup>nd</sup> of May 2024 and attended two of the four ARC meetings.

Auditors are expected to observe the highest standards of business and professional ethics and, in particular, that their independence is not impaired in any manner. They have the duty to maintain their independence and objectivity at all times, especially when providing other than audit service to the Company or the Group. Any conflicts or potential conflict of any kind are expected to be reported to the ARC or the Chairperson of the Board without delay.

The key audit matter is reported in the External Auditor's report on page 41-43. Management letter points were also brought to the attention of the ARC and to the Board.

PRINCIPLE 8 – RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

• Shareholder Information

The Board places great importance on an open and transparent communication with all the stakeholders of the Company. In line with the Listing Rules, it also endeavours to inform the shareholders on matters affecting the Company by communiques in the press and disclosures in the Annual Report.

• Dividend Policy

The Board has not adopted a formal dividend policy

and distributes dividends subject to the Company's profitability, capital expenditure requirements and investment plan. As required by the Mauritius Companies Act 2001, dividends are declared subject to the solvency test being satisfied.

For the year ended 31 December 2024, and due to the Company's financial situation, the Directors agreed that there would not be a distribution of a final dividend and a communique was released to inform the market. In 2023 the distribution of a final dividend amounted to Rs1.50 per share.

• Relationship with shareholders and stakeholders

The Company maintains a close relationship with its shareholders. Through publications of quarterly results, shareholders are informed of material events affecting the Company. The Secretary is also available to provide any information or advice upon request.

• Relationship with Shareholders and stakeholders

The Board acknowledges its responsibility of ensuring that an appropriate dialogue takes place among the Company, its shareholders and other key stakeholders. Shareholders are invited and encouraged to attend the Annual Meeting which is a forum for exchange with Directors.

• Employees

The Company recognises the importance of its workforce which is key to the Company's performance. The Company currently employs, on a full-time basis, 40 persons who are involved in the daily operations of the Company. For its operations (On Course, Teletote and Off Course), the Company had a working arrangement with 95 casual workers during the racing season and for football betting during the non-racing season.

• Share Price Information

At 31 December 2024, the share price of the Company on the market was trading at Rs 79.75 (Rs 70.25 at 31 December 2023). An updated share price can be viewed on the Company's website [www.automaticsystems.ltd.mu](http://www.automaticsystems.ltd.mu) or on the website of the Stock Exchange of Mauritius.

• Shareholders' Agreement

No Shareholders' Agreement exists between the Company and shareholders or related parties.

CORPORATE GOVERNANCE REPORT (CONT'D)

• Shareholders communication and events

The Company communicates with its shareholders, investment community and other stakeholders via press releases, publication of quarterly results, communiqués and the Annual Report which is also available on the Company's website [www.automaticsystems.ltd.mu](http://www.automaticsystems.ltd.mu). The website also provides interesting information on the Company's activities, financials and governance.

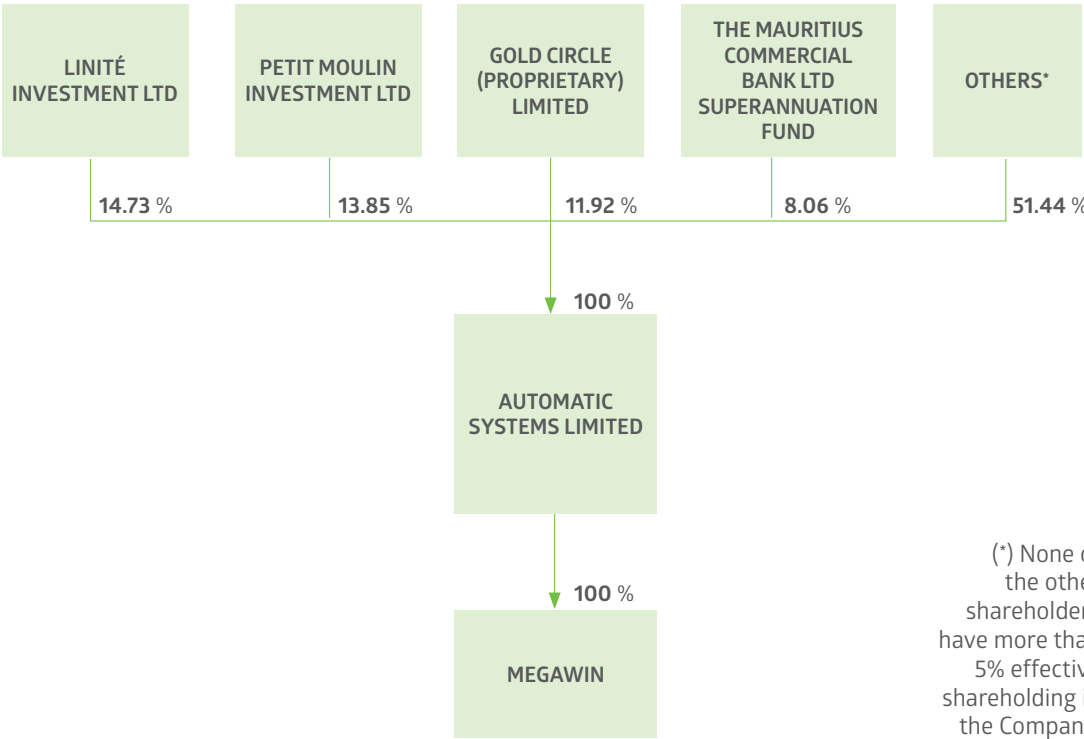
The key events and shareholder communications of the Company are set out on the right:

Month	Event
March	Abridged end-of-year results and approval of Annual Report
May	Sending of Annual Report and notice of Annual Meeting to Shareholders
June	Annual Meeting
May, August, November	Publication of quarterly financial reports
December/January	Declaration/payment of dividend (if applicable)

• Shareholding

At 31 December 2024, the Company's share capital amounted to Rs 24,745,000 divided into 3,535,000 ordinary shares of Rs 7 each. There were 1,636 shareholders on the registry compared to 1,642 in 2023.

Cascade Holding Structure





# CORPORATE GOVERNANCE REPORT (CONT'D)

On 31 December 2024, the following shareholders held directly and indirectly more than 5% of the ordinary share capital of ASL.

	Direct Interest	
	No. of ordinary shares	% holding
Linité Investment Ltd	520,667	14.73
Petit Moulin Investment Ltd (wholly owned by Société du Grand Moulin)	489,686	13.85
Gold Circle (Proprietary) Limited	421,324	11.92
The Mauritius Commercial Bank Ltd Superannuation Fund	291,900	8.06

Common Directorships of the Company holding structure:

	LI	GCPL	ML
M. L. Jean HARDY	*		*
M. A. Eric ESPITALIER NOEL			*
Michel J. L. NAIRAC		*	*
J. O. Guillaume HARDY	*		*

LI Linité Investment Ltd  
GCPL Gold Circle (Proprietary) Limited  
ML Megawin Ltd

The Company's shareholding profile as at 31 December 2024 was as follows:

Number of shares held (range)	Number of shareholders	Total number of Shares for the range	Percentage held (%)
1-500	1,273	197,236	5.5795
501-1,000	185	129,060	3.6509
1,001-5,000	117	254,597	7.2022
5,001-10,000	20	145,752	4.1231
10,001-50,000	24	520,398	14.7213
50,001-100,000	2	107,900	3.0523
100,001-250,000	4	456,480	12.9132
250,001-500,000	3	1,202,910	34.0286
500,001-1,000,000	1	520,667	14.7289
	1,629	3,535,000	100

Summary of Shareholder category at 31 December 2024:

	Number of shareholders	Total number of Shares Held	Percentage held (%)
Individual	1,516	1,211,749	34.2786
Insurance & Assurance Companies	5	137,015	3.8760
Investment & Trust Companies	11	691,292	19.5556
Pension & Providence Funds	15	421,300	11.9180
Other Corporate Bodies	82	1,073,644	30.3718
	1,629	3,535,000	100

\*The above number of shareholders is indicative due to the consolidation of multiple portfolios for reporting purposes.  
\*The total number of active shareholders as at 31.12.2024 was 1,636.



# OTHER STATUTORY DISCLOSURES

## • Contract of significance

There was no contract of significance to which Automatic Systems Ltd was party to and in which a Director of the Company was materially interested either directly or indirectly.

## • Directors service contract

The Service Agreement with Mr. J. O. Guillaume Hardy ended at 31 December 2022. With Mr. M. L. Jean Hardy ceasing to act as Executive Director as from 31 December 2022, the Corporate Governance Committee recommended to the Board, and the Board approved, that Mr. J. O. Guillaume Hardy be appointed as Executive Director and continues to assists the General Manager in the daily operations to ensure an efficient and smooth running in the management, a continuity in the reporting and compliance obligations as well as for the continuous development of the activities of the Company.

## • Directors share interest

The interests of the Directors are disclosed on page 23 of this report.

## • Profile of Senior Officers

Please refer to page 21 of the report.

## • Interests of Senior Officer – excluding Directors

The Senior Officer does not hold any interests in the shares of the Company whether directly or indirectly.

## • Management Agreement

The Company does not have a Management Agreement.

## • Directors

A list of Directors of the Company is given on page 18.

## • Directors' Emoluments

Remuneration and benefits (including bonuses and commissions) received and receivable from the Company were as follows:

	2024 Rs	2023 Rs
Non-Executive Directors	2,118,750	2,025,000
Executive Directors	3,770,988	3,395,274

The remuneration per directors is disclosed on page 27.

## • Auditors' Remuneration

The audit fees are as follows:

	2024 Rs	2023 Rs
Audit fees	1,150,000	1,150,000

No non-audit services were availed during the reporting financial year.

Approved by the Board on 26<sup>th</sup> March 2025.



**Ravindra CHETTY**  
Chairperson of the Corporate Governance Committee



**M. A. Eric ESPITALIER NOEL**  
Chairperson



**Box Office Ltd**  
Secretary

# OTHER STATUTORY DISCLOSURES (CONT'D)

## • Statement of Directors' responsibilities

The Directors acknowledge their responsibilities for:

- a) Leading and controlling the Company and meeting all legal and regulatory requirements;
- b) Succession planning;
- c) Approving the Charters of the two sub committees – namely the Audit and Risk Committee Charter and the Corporate Governance (Nomination and Remuneration) Committee Charter;
- d) Adequate accounting records and the maintenance of effective internal control systems;
- e) Approving the Code of Ethics;
- f) The preparation of the Group's and the Company's financial statements to fairly state the affairs of the Company and the Group. (The said financial statement adheres to IFRS Accounting Standards. There has been no departure from the IFRS Accounting Standards to report and not material uncertainties have been identified);
- g) A fair, balanced and understandable assessment of the Company's financial, environmental, social and governance position, performance and outlook;
- h) The use of appropriate accounting policies supported by reasonable and prudent judgments and estimates;
- i) The Company's adherence to the New Code of Corporate Governance (2016);
- j) The governance of risk and for determining the nature and extent of the principal risks the Company is willing to take in achieving its strategic objectives, and for ensuring that the Company develops and executes a comprehensive and robust system of risk management; and
- k) Ensuring that an appropriate dialogue takes place among the Company, its shareholder and other key stakeholders.

The Directors affirm that:

- (i) The Company is a public interest entity as defined by law;
- (ii) The Company is headed by an effective Board, and responsibilities and accountabilities within the Company (including at the level of Senior Management) are known to all parties;
- (iii) Appropriate Board committees, namely the Audit & Risk Committee and the Corporate Governance Committee (Nomination and Remuneration Committee) have been set up to assist the Board in the effective performance of its duties;
- (iv) Adequate accounting records and an effective system of risk management have been maintained;
- (v) Appropriate accounting policies supported by reasonable and prudent judgments and estimates have been used consistently;
- (vi) International Financial Reporting Standards, the Financial Reporting Act 2004 and the Mauritius Companies Act 2001 have been adhered to. Any departure has been disclosed, explained and quantified in the consolidated and separate financial statements;
- (vii) They have assessed the Company as a going concern and have a reasonable expectation that the Company will continue to operate for the foreseeable future and meet its liabilities as they fall due;
- (viii) The Board and the Audit and Risk Committee regularly monitor and evaluate the Company's operational risk; and
- (ix) The Board acknowledges its responsibility to monitor and evaluate the Company's compliance risk.

OTHER STATUTORY DISCLOSURES (CONT'D)

Statement of Directors' Responsibilities in Respect of the Financial Statements at 31 December 2024.

The Company's Directors are responsible for the preparation and fair presentation of the financial statements, comprising the statements of financial position at 31 December 2024, the statements of profit or loss and other comprehensive income, the statements of changes in equity, and statement of cash flows, and the notes to the financial statements, which include a summary of material accounting policy information and other explanatory notes, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

The Director's responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policy information; and making accounting judgments and estimates that have been used consistently.

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

The Directors report that the External Auditors are responsible for reporting on whether the financial statements are fairly presented.

The Directors confirm that:

- (i) adequate accounting records and an effective system of internal controls and risk management have been maintained;
- (ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently; and
- (iii) IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) have been adhered to. There was no departure in fair.

The Directors confirm that the Code of Corporate Governance has been adhered to.

Approved by the Board of Directors on 26<sup>th</sup> March 2025 and signed on its behalf by:

By Order of the Board



Mr. M. A. Eric ESPITALIER NOEL  
Chairperson



Mr. Ravindra CHETTY  
Director

STATEMENT OF COMPLIANCE  
(Section 75 (3) of the Financial Reporting Act)

Name of Public Interest Entity (PIE): AUTOMATIC SYSTEMS LTD. ('ASL')

Reporting Period: Financial year ended 31 December 2024

We, the Directors of Automatic Systems Ltd, confirm to the best of our knowledge, that the PIE has complied with all of its obligations and requirements under the Code of Corporate Governance 2016 except for the following, for which reasons for non-compliance are stated.

Areas of non-application of the Code		Explanation for Non-Application
Principle 2 – Board structure and size	The Company's Board should have at least two Executive Directors whereas it has only one.	The Board believes that, with one Executive Director and with the General Manager attending Board meetings, there is no requirement for the time being to recommend to the Shareholders the appointment of a second Executive Director on the Board.
	The majority of the members of the audit committee should be independent. The Audit and Risk Committee ("ARC") has 3 members out of which only 1 member is independent.	The Company has appointed Mr.s Virginie Lennon, Independent Director and Mr.s Virginie Lennon has been appointed as Member of the ARC on 26/03/2025 in replacement of Mr. Farouk Hossen. On 26/03/2025 Mr. Mushtaq Oosman ceased to be an Independent Director, and the Company will review the ARC composition to ensure compliance with the Code.
SIGNED BY :		



Mr. M. A. Eric ESPITALIER NOEL  
Chairperson



Mr. Ravindra CHETTY  
Director

SECRETARY'S REPORT

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, all such returns as are required of the Company under the Mauritius Companies Act 2001, in terms of section 166(d)..



Sophie GELLE ACG (CS)  
Box Office Ltd  
Company Secretary

Date: 26<sup>th</sup> March 2025